

WC 08-220

**USBANK/FCC OCT 23 2008**

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of )  
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ACS of Alaska, Inc., ACS of Anchorage, Inc., ) WC Docket No. \_\_\_\_\_  
ACS of Fairbanks, Inc., and ACS of the )  
Northland, Inc. Petition for Conversion to )  
Price Cap Regulation and for Limited Waiver )  
Relief )

**PETITION FOR CONVERSION TO PRICE CAP REGULATION AND  
FOR LIMITED WAIVER RELIEF**

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October 22, 2008

## Summary

In the instant petition, the rate-of-return regulated local exchange carrier subsidiaries of Alaska Communications Systems Group, Inc. (the "ACS LECs") request that the Commission grant limited waivers of its rules as necessary to permit the ACS LECs (i) to convert to price cap regulation as of July 1, 2009 and (ii) to retain interstate common line support ("ICLS") for their study areas following such conversion. More specifically, the ACS LECs present a reasonable proposal for transitioning to price cap regulation by initializing price cap indices for each price cap basket and freezing ICLS at current levels.

Grant of the requested waivers would be consistent with waivers granted to similarly situated carriers to transition from rate-of-return to price cap regulation. Notably, the Commission recently has granted four other midsize carriers authority to convert from rate-of-return to price cap regulation in accordance with principles established in the *CALLS Order*, while retaining ICLS. The authority requested by the ACS LECs' is consistent with that authority, and should be granted in similar fashion.

Further, there is "good cause" for the requested waivers. As discussed herein, the Commission's rules afford carriers the right to elect price cap status but do not provide a clear path by which carriers may exercise that right. Thus, ambiguities in the Commission's rules frustrate Commission policy and make strict compliance with those rules inconsistent with the public interest. Grant of the requested waivers would facilitate the ACS LECs' transition from cost-based, rate-of-return regulation to incentive-based price cap regulation in a manner consistent with Commission policy and would permit the ACS LECs to become more efficient, innovative, and productive. Accordingly, the ACS LECs respectfully request that the Commission, through the Wireline Competition Bureau, expeditiously grant the instant petition.

## TABLE OF CONTENTS

Summary.....	i
I. Background.....	2
A. The ACS LECs .....	2
B. Previous Grants of Authority to Convert to Price Cap Regulation.....	2
II. The ACS LECs' Proposal .....	4
A. Transition to Price Cap Regulation.....	4
1. CMT Basket.....	4
2. Traffic Sensitive and Trunking Baskets.....	5
3. Special Access Basket.....	7
B. Continuation of Universal Service Support .....	7
III. Grant of the Requested Waivers Would Serve the Public Interest .....	9
IV. Conclusion .....	11
Declaration of Thomas R. Meade	

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**PETITION FOR CONVERSION TO PRICE CAP REGULATION AND  
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ACS of Alaska, Inc. ("ACSAK"), ACS of Anchorage, Inc. ("ACSA"), ACS of Fairbanks,  
Inc. ("ACSF"), and ACS of the Northland, Inc. ("ACSN") (collectively, the "ACS LECs"), the

rate-of-return regulated local exchange carrier ("LEC") subsidiaries of Alaska Communications

Systems Group, Inc. ("ACS"), hereby request that the Commission grant limited waivers of its

rules as necessary to permit the ACS LECs to convert to price cap regulation as of July 1, 2009.

The ACS LECs also request that the Commission grant limited waivers of its rules as necessary  
to permit the ACS LECs to retain interstate common line support ("ICLS") for their study areas  
following such conversion. As discussed below, grant of the requested waivers would further the  
public interest by providing the ACS LECs with regulatory incentives to maintain and enhance  
efficient and innovative operations and by requiring the reduction of some interstate access rates  
for the benefit of consumers. Moreover, grant of the requested waivers would be consistent with  
waivers granted to similarly situated carriers to transition from rate-of-return to price cap  
regulation. Accordingly, the ACS LECs respectfully request that the Commission, through the  
Wireline Competition Bureau, expeditiously grant the instant petition.

## **I. BACKGROUND**

### **A. The ACS LECs**

Each of the ACS LECs is a rate-of-return regulated LEC operating in the State of Alaska. ACSN and ACSAK each operate in two study areas in Alaska, while ACSA and ACSF each operate in one; thus, grant of this petition would convert a total of six study areas operated by the ACS LECs to price cap regulation.<sup>1</sup> The Commission has forbore from applying certain dominant carrier regulations to ACSA for some interstate services, giving ACSA a limited degree of pricing flexibility.<sup>2</sup> ACSAK, ACSF, and ACSN participate in the National Exchange Carrier Association ("NECA") traffic-sensitive pool, while ACSA does not.

### **B. Previous Grants of Authority to Convert to Price Cap Regulation**

The Commission has concluded that price cap regulation, which provides incentives to carriers to maintain and enhance efficient operations, is preferable to legacy rate-of-return regulation.<sup>3</sup> Accordingly, Section 61.41(a)(3) of the Commission's rules explicitly allows rate-of-return carriers to convert to price cap regulation.<sup>4</sup> However, neither the Commission's rules

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<sup>1</sup> See Declaration of Thomas R. Meade at ¶¶ 2-3, 5.

<sup>2</sup> *Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as Amended (47 USC §160(c)), for Forbearance from Certain Dominant Carrier Regulation of Its Interstate Access Services, and for Forbearance from Title II Regulation of Its Broadband Services, in the Anchorage, Alaska, Incumbent Local Exchange Carrier Study Area*, Memorandum Opinion and Order, 22 FCC Rcd 16304 (2007) ("ACS Forbearance Order"), recon. pending. The ACS LECs request that the Commission relax the conditions imposed in the *ACSA Forbearance Order* (e.g., caps on individual switched access rates) because ACSA would be governed by the Commission's price cap rules.

<sup>3</sup> *See Policy and Rules Concerning Rates for Dominant Carriers*, Second Report and Order, 5 FCC Rcd 6786, at ¶ 21 (1990) ("LEC Price Cap Order").

<sup>4</sup> See 47 C.F.R. § 61.41(a)(3).

nor related orders – including the *CALLS Order* – provide an explicit process by which existing rate-of-return carriers may convert to price cap regulation.<sup>5</sup>

Notwithstanding, the Commission recently has granted four other midsize carriers authority to convert from rate-of-return to price cap regulation in accordance with principles established in the *CALLS Order*.<sup>6</sup> More specifically, the Commission has permitted the requesting carriers to convert from rate-of-return to price cap regulation by establishing initial price cap indices (“PCIs”) for their price cap baskets, and in particular has allowed carriers to target their average traffic-sensitive (“ATS”) rates to the applicable target specified in Section 61.3(qq) of the Commission’s rules.<sup>7</sup> The Commission has also permitted these carriers to retain per-line ICLS based on their per-line disaggregated ICLS amounts in the year preceding conversion to price cap status, frozen at those per-line levels on a going-forward basis, with aggregate annual ICLS capped at an amount equal to overall ICLS in the year preceding conversion to price cap status (after application of any required true-ups).<sup>8</sup>

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<sup>5</sup> Cf. *Access Charge Reform*, Sixth Report and Order, 15 FCC Rcd 12962 (2000) (“*CALLS Order*”).

<sup>6</sup> *Petition of Puerto Rico Telephone Company, Inc. for Election of Price Cap Regulation and Limited Waiver of Pricing and Universal Service Rules; Consolidated Communications Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief; Frontier Petition for Limited Waiver Relief upon Conversion of Global Valley Networks, Inc., to Price Cap Regulation*, Order, 23 FCC Rcd 7353 (2008) (“*PRTC Order*”); *Windstream Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief*, Order, 23 FCC Rcd 5294 (2008) (“*Windstream Order*”).

<sup>7</sup> 47 C.F.R. § 61.3(qq). See also *PRTC Order* at ¶ 12; *Windstream Order* at ¶ 18.

<sup>8</sup> *PRTC Order* at ¶ 23; *Windstream Order* at ¶ 20 n.69 (citing the *ACSA Forbearance Order*). The *ACSA Forbearance Order* froze ACSA’s current ICLS support at then-current levels. *ACSA Forbearance Order* at ¶ 70.

## II. THE ACS LECs' PROPOSAL

The ACS LECs, which currently are subject to rate-of-return regulation, wish to take advantage of the opportunity provided by Section 61.41(a)(3) to elect price cap status. However, as noted above, the Commission's rules do not provide a clear path for carriers to elect such status. Accordingly, the ACS LECs present herein a reasonable proposal for transitioning to price cap regulation. The ACS LECs' proposal is similar to other proposals for converting carriers from rate-of-return to price cap regulation that have been approved by the Commission. The ACS LECs' proposal includes processes for initializing PCIs for price cap rate baskets, as well as for ensuring the continuation of necessary universal service support.

### A. Transition to Price Cap Regulation

The ACS LECs propose to convert to price cap regulation by initializing PCIs as described below, and filing one unified tariff, with separate rates for each study area:<sup>9</sup>

#### 1. CMT Basket

The ACS LECs propose to create PCIs for each ACS LEC's common line, marketing, and residual interconnection charge interstate access elements ("CMT") basket by multiplying end-user rates in effect as of July 1, 2008 by 2008 base period demand, consistent with Commission precedent.<sup>10</sup> To this result, the ACS LECs would add the marketing expenses being shifted to the CMT basket pursuant to Section 69.156 of the Commission's rules,<sup>11</sup> and would reduce each CMT basket PCI by an amount equal to the presubscribed interexchange carrier charge ("PICC") and carrier common line ("CCL") revenues the relevant ACS LEC would

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<sup>9</sup> See Declaration of Thomas R. Meade at ¶ 7.

<sup>10</sup> Cf. *Windstream Order* at ¶ 18.

<sup>11</sup> 47 C.F.R. § 69.156.

forego.<sup>12</sup> The ACS LECs also propose to calculate their initial average price cap CMT revenues per-line month, consistent with Commission precedent.<sup>13</sup> CMT revenues would include 2008 subscriber line charge ("SLC") revenues plus the marketing expenses shifted to the CMT basket from the local switching and transport baskets pursuant to Section 69.156 of the Commission's rules.<sup>14</sup> Average price cap CMT revenues per-line month would then be the CMT revenues divided by the 2008 base period demand.<sup>15</sup> The average price cap CMT revenues per-line month, in conjunction with the SLC caps imposed under Part 69 of the Commission's rules, would create the ceiling on SLC charges that the ACS LECs could assess end-users.<sup>16</sup>

## **2. Traffic Sensitive and Trunking Baskets**

The ACS LECs propose to set initial local switching and trunking basket PCIs for ACSA by multiplying its switched access rates in effect as of July 1, 2008 by 2008 base period demand.<sup>17</sup> The switched access rates of the ACS LECs participating in the NECA traffic sensitive pool, and without current rates based on their own costs, would be initialized to meet the authorized rate-of-return of 11.25%, based on 2008 base period demand, and then adapted to the price cap rate structure.<sup>18</sup> The Commission has previously found this to be a reasonable

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<sup>12</sup> See *Windstream Order* at ¶ 14.

<sup>13</sup> See *PRTC Order* at ¶¶ 16-17; *Windstream Order* at ¶¶ 12-13.

<sup>14</sup> 47 C.F.R. § 69.156.

<sup>15</sup> 47 C.F.R. § 61.3(d) (using a similar formula with respect to 2000 revenues).

<sup>16</sup> See generally *Windstream Order* at ¶¶ 13-14; 47 C.F.R. § 69.152.

<sup>17</sup> See *Windstream Order* at ¶ 15-16. Three of the ACS LECs currently receive local switching support ("LSS") in four study areas. See Declaration of Thomas R. Meade at ¶ 6. Any LSS the ACS LECs may receive would be excluded from PCI calculations. See *PRTC Order* at ¶ 20 n.73.

<sup>18</sup> See *Windstream Order* at ¶ 17; *PRTC Order* at ¶ 20. Incumbent LECs that plan to leave the NECA pool are required by Section 69.3(i)(1) of the Commission's rules to notify NECA of their intent by March 1 of the tariff filing year in which they plan to leave the



approach for initializing rates and PCIs for study areas that are in the NECA pool.<sup>19</sup> These PCIs would be reduced to eliminate any marketing expenses that were recovered through switched access rates in 2008.<sup>20</sup> Each ACS LEC also would establish actual price indices, service categories, and service band indices for the traffic-sensitive and trunking baskets, consistent with the Commission's rules.<sup>21</sup> The ACS LECs propose to reduce their rates over time to a target rate of \$0.0095, using a productivity factor ("X-factor") of 6.5 percent.<sup>22</sup> This would represent a rate decrease in all ACS study areas.<sup>23</sup>

A target rate of \$0.0095 is consistent with the target rate specified in Section 61.3(qq) of the Commission's rules for holding companies owning operating companies serving an average of fewer than 19 Switched Access End User Common Line charge lines per square mile.<sup>24</sup> The ACS LECs average fewer than 19 Switched Access End User Common Line charge lines per

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pool(s). 47 C.F.R. § 69.3(i)(1). The ACS LECs hereby request a waiver of Section 69.3(i)(1) to allow them to notify NECA of their intent to leave the NECA pool on short notice if this petition is not granted by March 1, 2009. In that case, good cause would exist to waive Section 69.3(i)(1); absent a waiver, any other relief granted would be nullified because of this procedural limitation. Further, grant of this waiver would not impose an undue hardship on NECA given the small number of companies involved. See *Windstream Order* at ¶ 24.

<sup>19</sup> See *PRTC Order* at ¶ 14; *Windstream Order* at ¶ 17.

<sup>20</sup> See 47 C.F.R. § 69.156.

<sup>21</sup> See *PRTC Order* at ¶ 20. See also 47 C.F.R. §§ 61.46; 61.42(e)(1) and (2); 61.47.

<sup>22</sup> See 47 C.F.R. §§ 61.3(qq) and 61.45.

<sup>23</sup> See Declaration of Thomas R. Meade at ¶ 7.

<sup>24</sup> See 47 C.F.R. § 61.3(qq).

square mile.<sup>25</sup> An X-factor of 6.5 percent is consistent with the X-factor specified in Section 61.45(i) of the Commission's rules.<sup>26</sup>

### **3. Special Access Basket**

The ACS LECs propose to set the initial special access basket PCIs for ACSA by multiplying its special access rates in effect as of July 1, 2008 by 2008 base period demand. The Commission has found previously that a rate-of-return carrier's current special access rates are the appropriate rates to use in setting initial PCIs for the special access basket upon conversion to price cap regulation.<sup>27</sup> The special access rates of the ACS LECs participating in the NECA traffic-sensitive pool, and without current rates based on their own costs, would be initialized by study area at levels that are expected to be below the NECA rates currently in effect. Rates almost certainly would decline under this approach.

### **B. Continuation of Universal Service Support**

The ACS LECs' ability to realize the public interest benefits of their conversion to price cap regulation depends upon their continued receipt of some high-cost universal service support. However, the Commission's rules do not make ICLS available to price cap carriers,<sup>28</sup> and the Commission tentatively has concluded that carriers converting from rate-of-return regulation to price cap regulation are ineligible for interstate access support ("IAS") established in the *CALLS Order*.<sup>29</sup> Absent Commission intervention, the ACS LECs' conversion to price cap regulation

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<sup>25</sup> Each ACS LEC was owned by ACS as of July 1, 2000. See Declaration of Thomas R. Meade at ¶ 2.

<sup>26</sup> 47 C.F.R. § 61.45(i).

<sup>27</sup> See *PRTC Order* at ¶ 21.

<sup>28</sup> See 47 C.F.R. § 54.901(a) (limiting ICLS to rate-of-return carriers).

<sup>29</sup> See *Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, Report and

would result in their loss of explicit support to offset the interstate portion of the ACS LECs' costs that is not recovered through interstate access charges.

Accordingly, the ACS LECs request that the Commission grant limited waivers of its rules, including applicable portions of Sections 54.901, 54.903, and 54.802 through 54.806, as necessary to permit them to continue to receive ICLS as price cap carriers.<sup>30</sup> Specifically, the ACS LECs propose that the Commission (i) freeze ICLS provided to ACSF, ACSAK, and ACSN at 2008 per-line disaggregated amounts, after the application of any true-ups based on actual cost and revenue data for 2008<sup>31</sup> and (ii) continue to freeze ICLS provided to ACSA at August 20, 2007 levels as specified in the *ACSA Forbearance Order*.<sup>32</sup> This approach is consistent with Commission precedent.<sup>33</sup>

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<sup>30</sup> Order and Second Further Notice of Proposed Rulemaking, 19 FCC Rcd 4122, at ¶ 93 (2004) ("*Second MAG Further Notice*").

<sup>30</sup> See *Windstream Order* at ¶¶ 20, 22.

<sup>31</sup> The monthly frozen per-line ICLS amounts of each ACS LEC, other than ACSA, would be calculated by dividing the final annual 2008 ICLS amounts by twelve times the average of each ACS LEC's line counts as of December 31, 2008 and December 31, 2007. The ACS LECs also propose that, following conversion to price cap regulation, the overall annual ICLS of each ACS LEC, other than ACSA, be capped at an amount equal to its overall 2008 ICLS, after application of required true-ups. Cf. *Windstream Order* at ¶¶ 20-21 (citing *ACSA Forbearance Order*). The ACS LECs would forego any PICC or CCL charges that might otherwise be assessable under the price cap rules, and would forego an increase in the non-primary residential SLC cap.

<sup>32</sup> *ACSA Forbearance Order* at ¶ 71. The *ACSA Forbearance Order* directed ACSA to "use the June 30, 2007, residential and single-line business SLC rate and the multi-line business SLC rate to calculate the interstate end-user revenues on which its universal service contributions are based." *Id.* at ¶ 72. ACSA has filed a Petition for Reconsideration of this provision of the *Order*, which remains pending. See ACS of Anchorage, Inc., Petition for Reconsideration, WC Docket No. 06-109, at ¶¶ 19-21 (filed Sep. 19, 2007). The instant petition is not intended to alter in any way the relief sought in ACSA's petition for reconsideration of the *Order*. For the reasons set forth in that petition, the ACS LECs urge the Commission to grant the reconsideration requested by ACS in connection with any grant of the instant petition.

<sup>33</sup> *Windstream Order* at ¶¶ 20-21 (citing *ACSA Forbearance Order*).

### III. GRANT OF THE REQUESTED WAIVERS WOULD SERVE THE PUBLIC INTEREST

The Commission may waive its rules for “good cause shown.”<sup>34</sup> More specifically, the Commission may exercise its discretion to waive a rule where special circumstances warrant a deviation from the general rule and such deviation would serve the public interest, or where the particular facts make strict compliance inconsistent with the public interest.<sup>35</sup> The Commission may take into account consideration of hardship, equity, or more effective implementation of overall policy on an individual basis.<sup>36</sup> The ACS LECs’ waiver requests meet this standard.

The ACS LECs’ proposal is designed to facilitate their transition from cost-based, rate-of-return regulation to incentive-based price cap regulation. The Commission has concluded that incentive-based regulation is preferable to rate-of-return regulation.<sup>37</sup> Among the benefits of price cap regulation cited by the Commission are incentives for carriers to become more productive, innovative, and efficient.<sup>38</sup> The Commission also has found that price cap regulation is likely to benefit consumers directly or indirectly through lower access prices.<sup>39</sup> There is already objective evidence that affording the ACS LECs greater flexibility would benefit the public interest; following the adoption of the *ACSA Forbearance Order* in 2007, ACSA has enjoyed a limited degree of pricing flexibility with no adverse effects on competition or

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<sup>34</sup> 47 C.F.R. § 1.3.

<sup>35</sup> *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990); *WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969).

<sup>36</sup> *WAIT Radio*, 418 F.2d at 1159; *Northeast Cellular*, 897 F.2d at 1166.

<sup>37</sup> *LEC Price Cap Order* at ¶ 21.

<sup>38</sup> *Id.* at ¶ 31.

<sup>39</sup> *Id.* at ¶ 33.

consumers.<sup>40</sup> Further, in the past six months the Commission has approved similar conversions for other mid-size telephone companies, subject to similar conditions. Thus, it is clear that the conversion of the ACS LECs to price cap regulation as proposed herein would serve the public interest.

The ACS LECs cannot complete such conversion absent the requested waivers due to ambiguities in the Commission's rules. While Section 61.41(a)(3) of the Commission's rules permits carriers to convert rate-of-return study areas to price cap study areas,<sup>41</sup> there is no clear path by which a rate-of-return LEC can adopt price cap regulation as modified by the *CALLS Order*.<sup>42</sup> Therefore, a strict application of the Commission's rules would frustrate Commission policy as set forth in Section 61.41(a)(3). On the other hand, grant of the requested waivers would serve to advance the Commission's preference for price cap regulation, and would permit the ACS LECs to become more efficient, innovative, and productive.<sup>43</sup>

Similarly, there is good cause for limited waiver of the Commission's universal service rules to permit the ACS LECs to continue to receive ICLS. Absent such support, they would be unable to benefit from conversion to price cap status without adversely affecting other price cap carriers that receive IAS. On the other hand, permitting the ACS LECs to retain ICLS would not burden the high-cost fund; notably, since the adoption of the *ACSA Forbearance Order* in 2007, ACSA has received ICLS frozen at 2007 levels, without any adverse impact on the fund.<sup>44</sup> If anything, the ACS LECs' proposal would lead over time to an overall reduction in the support

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<sup>40</sup> See Declaration of Thomas R. Meade at ¶ 4.

<sup>41</sup> 47 C.F.R. § 61.41(a)(3).

<sup>42</sup> See *Windstream Order* at ¶ 8.

<sup>43</sup> See *LEC Price Cap Order* at ¶ 31.

<sup>44</sup> See Declaration of Thomas R. Meade at ¶ 4.

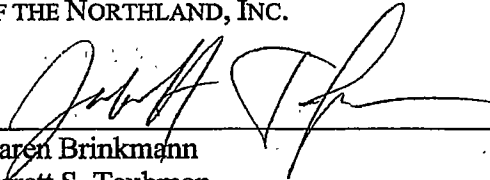
they receive. The Commission has previously expressed a preference for explicit support, through universal service support mechanisms, as opposed to implicit support through access charges.<sup>45</sup> Therefore, there is good cause for the requested waivers, which would allow the ACS LECs to continue to receive support via ICLS while capping or reducing their interstate access charges.

#### IV. CONCLUSION

For the foregoing reasons, the ACS LECs request that the Commission expeditiously grant the requested waivers to permit them to convert to price cap regulation as of July 1, 2009.

Respectfully submitted,

ACS OF ALASKA, INC., ACS OF ANCHORAGE,  
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October 22, 2008

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<sup>45</sup> *Second MAG Further Notice at ¶¶ 15, 62-68 (2001); CALLS Order at ¶ 111.*

## DECLARATION OF THOMAS R. MEADE

I, Thomas R. Meade, hereby make the following declarations, under penalty of perjury, in support of the foregoing Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief ("Petition"):

1. I am Vice President for Carrier Markets and Economic Analysis of Alaska Communications Systems Group, Inc. ("ACS"), and I am familiar with ACS's local exchange and exchange access operations generally, and the accounting, pricing and tariffing practices of its local exchange carrier ("LEC") subsidiaries specifically.

2. ACS is a holding company with four subsidiaries operating as LECs in the State of Alaska. These are ACS of Anchorage, Inc. ("ACSA"), ACS of Alaska, Inc. ("ACSAK"), ACS of Fairbanks, Inc. ("ACSF"), and ACS of the Northland, Inc. ("ACSN") (collectively, the "ACS LECs"). Each of the ACS LECs was owned by ACS as of July 1, 2000.

3. ACSA and ACSF each operate in a single study area. ACSN operates in the "ACS-N Glacier State" and "ACS-N Sitka" study areas. ACSAK operates in the "ACS-AK Greatland" and "ACS-AK Juneau" study areas.

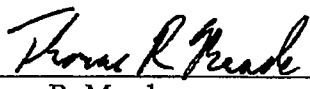
4. Following the adoption of the *ACSA Forbearance Order* in 2007, ACSA has enjoyed a limited degree of pricing flexibility with no adverse effects on competition or consumers. Since that time, ACSA has withdrawn from the National Exchange Carrier Association ("NECA") common line pool and has received interstate common line support ("ICLS") frozen at August 20, 2007 per-line levels. I am not aware of any adverse impact on the universal service fund or on NECA resulting from the adoption of the *ACSA Forbearance Order*.

5. The ACS LECs are currently regulated as rate-of-return carriers under the rules of the Federal Communications Commission ("FCC"), although ACSA is subject to caps on its individual switched access rate elements pursuant to the *ACSA Forbearance Order*. ACSAK, ACSF, and ACSN participate in the NECA common line and traffic-sensitive pools, while ACSA does not. Averaging all of the access lines within the ACS holding company, the ACS LECs serve approximately 17.9 Switched Access End User Common Line charge lines (as defined by the FCC) per square mile.

6. ACSAK, ACSF and ACSN currently receive local switching support ("LSS"). However, ACSN only receives LSS in the "ACS-N Sitka" study area. Accordingly, the ACS LECs receive LSS in a total of four study areas: "ACS-AK Greatland," "ACS-AK Juneau," "ACS-Fairbanks, Inc.," and "ACS-N Sitka."

7. If the Petition is granted, ACS would file a single tariff for all of the ACS LECs, with separate rates for each study area. Special access rates for the five study areas currently in the NECA pool would be initialized by study area at levels that are expected to be at least 20% below the NECA rates currently in effect.

The foregoing is true and accurate to the best of my information, knowledge and belief,  
as of the date of this declaration.

  
\_\_\_\_\_  
Thomas R. Meade

Executed: October 13, 2008



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October 22, 2008

### VIA OVERNIGHT DELIVERY

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
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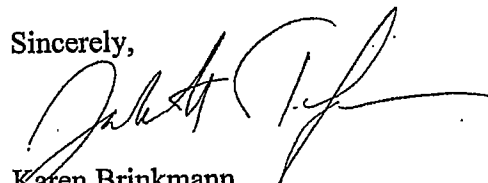
Dear Ms. Dortch:

On behalf of our clients, ACS of Alaska, Inc., ACS of Anchorage, Inc., ACS of Fairbanks, Inc., and ACS of the Northland, Inc. (the "ACS LECs"), we hereby enclose an original and six (6) copies of the ACS LECs' Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief ("Petition"). Also enclosed is a completed FCC Form 159 Remittance Advice, which contains credit card information with which to facilitate payment of the filing fee in connection with the Petition.

Please note that this filing replaces the filing submitted by the ACS LECs on October 14, 2008, which was returned due to an error in processing the necessary filing fee. To the extent that any instance of that filing remains with the Commission, the ACS LECs request that the instant Petition be considered in its stead.

Please contact the undersigned should you have any questions.

Sincerely,



Karen Brinkmann  
Jarrett S. Taubman